Committee in Session at 9:08 am on Tuesday, May 22, 1979.

Senator Keith Ashworth in the Chair.

PRESENT: Chairman Keith Ashworth
Senator Clifton Young
Senator Rick Blakemore
Senator Wilbur Faiss
Senator Jim Kosinski

ABSENT: Vice-Chairman Joe Neal

GUESTS: Mr. Mike Soumbeniotis, Attorney at Law
Mr. Heber Hardy, Chairman, Public Service Commission
Mr. Ernest Gregory, Administrator, Division of Environmental Protection
Mr. John Collins, CWR Enterprises
Mr. Dave Minedew, Washoe County Health Department
Mr. Charles Zobell, City of Las Vegas
Mr. David Hoy, Attorney at Law

Chairman Ashworth opened the hearing to reconsider A.B. 541.

Mr. Mike Soumbeniotis, Attorney at Law, stated that he was present on behalf of two small sewer companies operating in Washoe County. He said that both companies are certificated by the Public Service Commission to provide sewer service in the county. He stated that his concern with A.B. 541 is in reference to the companies' status of the certification with the Public Service Commission as it might be affected by the language in the bill. He referenced present statutory provisions which he felt had some impact on A.B. 541; these provisions were NRS 704.340, NRS 704.679 and NRS 704.681. He stated that under NRS 704.340, municipality constructing, leasing, operating or maintaining any public utility is not required to obtain a certificate of public convenience and necessity from the Public Service Commission. He said that under NRS 704.679, the Public Service Commission is to be furnished a copy of each application to any city, town, county, or any planning commission involving a new subdivision or other land development project which requires a water supply or connection with a sewer system. He further said that the Public Service Commission is then required to review that application and make an investigation to determine the continuity and adequacy of the water supply or sewer service to be provided within that subdivision. He said the statute continues to provide that final approval of the subdivision is not to be granted by the local governing entity until the commission has reviewed, investigated and given its approval of both water and sewer services; particularly, the continuity of the water and sewer services. He said that NRS 704.679 exempts from its provisions or does not require that the provisions be complied with by any company that has previously been granted a certificate of public convenience and necessity. He stated that under NRS

704.681, county commissioners can regulate water companies which are not regulated by the Public Service Commission; he said it was his understanding that this statutory provision has now been amended to include sewer companies. He said the county commissioners do have a "role to play" due to the exemption under NRS Chapter 704 for small water and sewer companies that do not have at least 25 customers and $11,000 in annual revenues; the county commissioners have jurisdiction until such companies fall within the purvue of the Public Service Commission. He stated that these references are pertinent to the language in A.B. 541. He stated that part of the difficulty in understanding the intent of the legislature relating to A.B. 541 is the confusion as to the distinction between "public" or "municipal" sewerage. He stated that by requiring the local governing body to cosign the permit and to assume equal responsibility with the private developer in providing the sewer service would indicate that there may be conflict with NRS 704.340. He stated that this may be in terms of the county being an active partner in the initiation of the sewer treatment plant; if that is the case, he questioned if the intent was to exempt the sewer "package" treatment plants from Public Service Commission jurisdiction and regulation. Mr. Soumbeniotis stated that he believed the language in A.B. 541 would exempt these plants. Senator Kosinski stated that there was equal responsibility language in the First Reprint; however, that verbage has been amended in the Second Reprint. Mr. Soumbeniotis stated that he believed by cosigning the permit, the county or governing body does appear to be actively involved at the outset in the sewer treatment facility. He suggested that the language be carefully reviewed to be certain that the language has not exempted these plants from Public Service Commission regulation unless that is the intent.

Senator Young questioned if Mr. Soumbeniotis believed the plants should be exempt from the Public Service Commission regulation. Mr. Soumbeniotis stated that he did not feel they should be exempt. Senator Young concurred. Mr. Soumbeniotis stated that he believed A.B. 541 is primarily aimed at the financial aspects of these treatment plants. He stated that under NRS 704.679, the Public Service Commission is to review any proposed subdivision as to sewer and water prior to granting an application. Senator Young questioned if circumstances change from the time of the original application to later on in the development. Mr. Soumbeniotis said that he believes that particular statutory provision has not been complied with by the counties. Senator Young stated that he would like to have the assurance of some overview as to the functioning of these plants. Mr. Soumbeniotis stated that he believed the alternative would be to exempt these facilities and leave them within the jurisdiction of the counties. He said that he believed the bill would do this.

Mr. Soumbeniotis stated that on Page 2, Section 3, subsection 5, language indicates that the overview will be exercised by the local governing body to make assessments against the lot owners and contains language as to "equitable servitude." He questioned the point in time that the county would make the determination

that the assessments are in order and once they have been made, who does the actual operation. He said there is no provision in the bill for the county to take over the plant. He questioned the intent of the language. Senator Kosinski stated that on Page 1, Lines 16, 17 and 18, the local governing body assumes responsibility in case of default. Mr. Soumbeniotis stated that the language in subsection 5 on Page 2 indicates that the county will make an assessment but does not indicate that the county will take over and operate that system. Senator Kosinski stated that the language on Page 1 states that they have the responsibility. Mr. Soumbeniotis said that they can have the responsibility without physically taking over the plant. He also questioned the "trigger" for the default provisions. He said that there may be times during the day or month when a permit may not be in full compliance but they are generally given time to bring the matter into compliance and it is not considered as a "default." He stated that he believed the language regarding default should be clarified so there is no confusion with default as to abandonment or default as to a permit condition.

He stated that subsection 6 on Page 2 gives an open-ended financial obligation on the part of anyone who buys a lot in a new subdivision coming within this statutory provision. He said the purchaser would have no control over the amount of assessment made to require them to connect to the local governing bodies' sewage treatment plant. He questioned if anyone would buy a lot with that type of provision. Senator Blakemore stated that financing would also be a problem. Mr. Soumbeniotis also questioned the terms and conditions for the hookup to the county plant; he questioned how the cost would be divided.

Mr. Soumbeniotis questioned the conversion referenced on Page 2, Section 5, subsection 3. He stated that the companies he represents had expressed concern as to the language on Page 5, Lines 4 through 6. He said that before a subdivision can be approved, the approval of the Division of Environmental Protection must be obtained; he questioned if this is in conflict with or addition to the approval of the Public Service Commission. He said that present law exempts an existing certificated sewer utility from obtaining additional approval from the Public Service Commission but this provision would indicate an additional permit would be required. He said that his clients would be adverse to any legislation that could unilaterally terminate future development within their service area that was contemplated at the time the treatment plant was initially placed into operation.

Senator Neal arrived for the meeting (9:28 am) and left shortly thereafter.

Mr. Heber Hardy, Chairman, Public Service Commission, expressed sympathy with a program that would make small sewer facilities more responsive. He stated that Mr. Soumbeniotis had pointed out many of the problems he had with the bill. He expressed concern with the language of A.B. 541 that would raise a "cloud" as to who has

jurisdiction. He said he would personally have no objections, should it be the desire of the legislature, to having total jurisdiction removed from the Public Service Commission; however, he said that he did not believe the bill is clear. Chairman Ashworth stated that he believed it was the desire of the committee that the Public Service Commission maintain that jurisdiction. Mr. Hardy stated that amending Line 13 on Page 1 to read, "Sewerage service is unavailable from a public utility certificated by the Public Service Commission or public or municipal sewerage" may address the problem.

Senator Kosinski questioned the regulatory authority of the Commission in instances such as the Hidden Valley Water Division. Mr. Hardy stated that they have no jurisdiction until a company has 25 customers and $11,000 annual revenue; the problem that occurs is in the area of non-jurisdiction when a company begins up to the time when they become jurisdictional. He stated that he believed the bill addresses a real problem of taking care of the companies when they begin. Chairman Ashworth questioned if he believed the Commission should have jurisdiction from the inception of a company. Mr. Hardy stated that the legislature has taken both positions in the past. He said that this is an area of question; it would affect many small companies that, in his opinion, would not have to be regulated. He stated that he did not have a strong recommendation on the matter. Chairman Ashworth questioned if he believed this bill could be "opening up a keg of worms." Mr. Hardy stated that he did not wish to address issues other than jurisdiction of the Public Service Commission; however, he stated that as the bill is worded, there may be conflict as to the Commission's jurisdiction.

Senator Young questioned if most "package" plants would be jurisdictional. Mr. Hardy stated that he did not believe most sewer services would fall into the required category. Senator Kosinski questioned if having the plants under the jurisdiction of the Public Service Commission would add that much to the public health and safety. Mr. Hardy stated that he would be unable to guarantee that.

Senator Faiss questioned the number of plants being discussed. Mr. Ernest Gregory, Administrator, Division of Environmental Protection, stated there are applications for 29 plants in the Reno area.

Chairman Ashworth questioned how these plants would be handled should A.B. 541 not be implemented. Mr. Hardy stated that they would not address them until they became jurisdictional; he said that prior to that time, an application should have been filed with the Commission for approval for the continuity of service and adequacy of the system. Mr. Hardy said that such application has never been received in their office and this is a major defect in the implementation of an existing law.

Mr. Gregory addressed Mr. Soumbeniotis' concern as to new permits with the addition of new subdivisions. He said that anyone who

discharges to any waters of the state must have a permit from the Division of Environmental Protection; that permit specifies a capacity for that treatment plant. He said that as long as that capacity is not exceeded, then another permit would not be required. He said it would be handled as municipal systems are handled. Mr. Soumbeniotis stated that his concern had been based upon his interpretation of "additional use." Chairman Ashworth suggested clarification of the language.

Mr. John Collins, CWR Enterprises, stated that they would like some clarification as to A.B. 541. He said that his company presently has a "package" treatment plant, by this definition, in the City of Reno. He expressed confusion as to whether or not they would be under the jurisdiction of the Public Service Commission. He stated that they would prefer not to be under the jurisdiction of the Commission, rather, a county system; from a financial point of view, he stated that it is easier to have an elected board review a rate increase based on projected costs. Mr. Collins also questioned the definition of a "permit to operate" on Page 1, Section 3, Line 11. He stated that he would like clarification as to the type of permit referenced. Senator Kosinski stated that the permit from the Division of Environmental Protection is being referenced. Mr. Collins stated that once the law goes into effect, the City of Reno may also require additional permits. He stated that they have no objection to complying with the provisions in A.B. 541 but would appreciate some additional definition. Mr. Gregory stated that this is a part of NRS Chapter 445 which only addresses the national pollution and discharge of emissions. Chairman Ashworth stated that this bill would have nothing to do with local controls. Mr. Collins questioned the language as to having a municipality cosign on the permit and felt that clarification on the definition may avoid additional permits. Chairman Ashworth questioned if Mr. Collins believed it would be difficult to obtain a cosignature. Mr. Collins stated that he did and felt it could inhibit development. Senator Young questioned the ramifications should a developer come in and then leave before completion. Mr. Collins stated that he agreed with the intent of the bill but could anticipate potential problems with obtaining a cosignature.

Mr. Collins expressed concern with Section 3, subsection 4. He stated that he disagreed with the five-year period on Page 2, Line 3. He said that if the intent of the subsection is to guarantee that the plant is operated and maintained in a satisfactory manner, a five-year bond is not necessary. He said he believed the problem would be the same at the end of five years, one year, or two years. Mr. Collins stated that his company could not obtain a bond from a bonding company for a period of five years. He said that he would like to see the bond renewable annually. Senator Young expressed concern should the bond not be renewed and the developer leaves the area. Mr. Collins stated that he believed a two-year period would be reasonable. He said that should the plants be under Public Service Commission regulation, of which he spoke in strong opposition, the five-year period should remain. He said he felt a satisfactory base can be accumulated within a two-year period.

Mr. Gregory noted the portion of the proposed amendment (Amendment No. 1257, Exhibit "A") that states, "or until 75 percent of the lots or parcels served by the plant are sold, whichever is later." Mr. Collins expressed agreement with that amendment.

Chairman Ashworth questioned the number of plants that have failed. Mr. Gregory stated that he is aware of one. Senator Kosinski stated that presently there are a limited number of plants and the concept is relatively new. Chairman Ashworth questioned if all the plants and applications pertain to Washoe County. Mr. Gregory stated that they do. Senator Kosinski stated that the main concern is a warranty, of sorts, for the plant itself. Mr. Collins stated that the bill does address this beginning with Section 3, subsection 5; he questioned the meaning of "equitable servitude" and the time of implementation. He said that he believed the bill says, "buyer beware." He said the subsection could conceivably encourage default should homeowners refuse payment. Senator Kosinski stated that a court of law would address that matter. Mr. Collins questioned why the provisions, then, if that would be the direction. Senator Young stated that he believed it would insure that the plant is properly constructed. Mr. Collins said he believed the bill only addressed operation and maintenance. Senator Kosinski stated that if the plant fails, there is no longer operation or maintenance. Chairman Ashworth stated that he believed this would give substantiation to the proposal of the two-year bond. He stated that if the concern is the engineering and function of the plant, this should be addressed rather than penalizing a company with a five-year bond. Mr. Dave Minedew, Washoe County Health Department, stated that when entering into a leach system, all leach fields are prone to failure within a five to eight year period. He also stated that the County has opened some of its contracts whereby the letter of credit is renewable annually; however, application must be made. Senator Kosinski stated that there is language to permit these circumstances as it states, "other securities" or "any other form acceptable to the governing body." He said that the intent was to leave it broad. Mr. Collins stated that he still has problems with the five-year period. He said that an argument to the leach field system is if they are looking at failure, then they should be looking at the design capacities of the water basin that will be affected.

Chairman Ashworth questioned the number of plants being considered in Clark County. Mr. Gregory stated that there are perhaps five in Clark County with no applications pending. Mr. Charles Zobell, City of Las Vegas, stated that both the city and county had testified that they would rather restrict and, if possible, inhibit the construction of the plants. He stated that there is provision in the bill to allow local entities to adopt stricter regulations and he said they would adopt regulations that would make it almost impossible to locate in the area. Mr. Zobell stated that they have the capacity and do not feel the plants are necessary. He said they are trying to move towards better planning in the valley. Chairman Ashworth questioned restricting the bill to Washoe County.

Mr. Collins reiterated his concern over the five-year period. Senator Kosinski stated that the intent in Lines 1 through 4 on Page 2 was to make the language broad enough.

Senator Faiss questioned if it was conceivable that the cost of these plants in the future could become so high that the people could not afford to use it. Mr. Collins stated that it would be conceivable but it is highly unlikely.

Mr. Collins stated that under Section 3, subsection 5 on Page 2, he has problems with the definition of "equitable servitude" and interprets that to mean a lien. He said that if this is the case and it must be recorded, construction financing on the subdivision would not be possible. He stated that if the intent of the language is to give a "buyer beware" notice, it would be another matter. Senator Young questioned if there were liens for the Washoe County Conservancy District. Mr. Collins stated that he was uncertain. Senator Kosinski stated that the property would not be worth less even to a secondary lien holder. Mr. Gregory brought the proposed amendments to the attention of the committee. Mr. Collins stated that he wished to be certain as to the intent which appears to be "buyer beware."

Mr. Collins expressed confusion as to the meaning of Section 5, subsection 3. Senator Kosinski stated that the intent is to state that nothing in the bill interferes with any other powers that the local government may have. Mr. Collins stated that he was concerned with being placed on an "abeyance list."

Mr. Collins stated that he also had a problem with Section 7, subsection 4. He said that as private developers, municipalities should also fall under this same jurisdiction as municipalities are investing as much or more money than private developers. He stated his belief that this addresses the potential for mandatory certification of treatment plant operators. He said he felt this would be discriminatory.

Mr. David Hoy, Attorney at Law, stated that he was representing DH Development Company who is contemplating the construction of a "package" plant in the Reno area. He stated that the United States Environmental Protection Agency gave a grant to the City of Reno for the expansion of the existing Reno/Sparks plant. He said that one of the conditions of the grant was that the City would negotiate with the City of Sparks and Washoe County to form a committee to supervise package plants. Mr. Hoy distributed Exhibit "B" for the record. He said that the agreement provides for the "phasing out" of "package" plants at such time that the master project becomes operational. He said the agreement has been executed and sent to the Environmental Protection Agency. He said the City Council of Reno voted to approve a proposal by Wastewater Technology to give the City $5.75 million to, in effect, complete the master project. Mr. Hoy stated that Wastewater Technology is a non-profit corporation, which he also represents, consisting of a group of builders who went together to build a giant "package" plant.

They agreed to give the money to the City of Reno rather than build a separate plant and allow the City to use the funds to increase the capacity of the Reno/Sparks plant. He said the agreement was approved subject to approval by the Attorney General. Mr. Hoy stated that basically the agreement provides that the master project will be completed approximately in December of 1981. He said that will commence the phase-out of "package" plants in Washoe County. He questioned the necessity of the legislation.

Senator Young questioned the location of the plants; he said that he could understand having the capacity but questioned the connector lines going to the "package" plants. Mr. Hoy stated that there are negotiations occurring to connect an interceptor and said that once the capacity is reached, and the cities and county must extend these lines to the various package plants as the grant requires, it will happen.

Mr. Hoy stated that he has several objections to A.B. 541. He expressed concern with the requirement for a cosignature. He stated that he believed the bill was a "no growth bill." He said that he did not believe the availability of sewage should be a device to stop growth; rather, denial on its merits. He said he viewed the cosignature requirement as a way for the "no growthers" to put pressure on the governing body not to approve. He stated that if the intent of the bill is to insure that there is financial responsibility for the plant, there would be no reason for the governing body to cosign; he stated that it could be provided that in the event of a default by the builder/developer, the governing body has certain powers and duties. He said he believes that cosigning means co-obligor and this is the way the language should be viewed. He said that under existing law and the language in A.B. 541, the local governing body would be liable for a civil penalty. Senator Young stated that he believed that would make the local governing body closely address the function of the plant. He said he was in favor of the concept; he did not believe he was in favor of "no growth" but rather solid growth. He expressed concern with harming the underground water system. Mr. Hoy concurred as to safeguards but stated he did not feel the safeguards should prevent, through political pressure, the construction of a project. Mr. Hoy also questioned the constitutionality of the cosignature as it would constitute the lending of credit with a local governing body to a private individual.

Senator Young questioned how to protect against default. Mr. Hoy stated that he would provide for a bond. He said he had no difficulty with the length of time of the bond; rather, it should be based upon the reasonable expected operational cost. He said he would also provide that upon default, the county would give notice for 30 days and ultimately, under an emergency procedure, take over the plant. He also said he would provide for the county to be able to assess a lien. He said that as to the liens discussed previously, those liens are first liens on the property and lenders do not care about them as they are fixed and identifiable. He said he objected to the language in the bill that would create

personal liability on behalf of the grantees. Mr. Gregory stated that the issue was addressed in the amendment. Mr. Hoy stated that he believed the city or county must give a notice of lien so the purchaser is aware of the responsibility as is the mortgagee should the purchaser default. He said he would also not limit to subdivisions; rather, "the owners of the land serviced." He said that upon default, the local governing body gives notice to the owner and to the surety under the bond and if this is not fixed, the local governing body takes the facility over and goes after the bond and if that does not work, goes after the people who are serviced by the plant. He said that the lien would attach at that point but not before. He concluded by stating that he did not believe the bill was needed but should the decision be to pass it, it should provide for a fixed amount of the bond and for a secondary lien which would only come into effect upon default.

There being no further testimony, Chairman Ashworth closed the hearing on A.B. 541.

Senator Young stated that there had been some valid ideas presented and that he did not wish to see the bill "killed." Chairman Ashworth appointed a subcommittee consisting of Senators Young and Kosinski, Mr. Hoy, Mr. Soumbeniotis, Mr. Collins and Mr. Gregory.

There being no further business, Chairman Ashworth adjourned the meeting at 10:35 am.

Respectfully submitted,

Roni Ronemus
Committee Secretary

Approved:

Chairman
Senator Keith Ashworth

EXHIBIT "A"

1979 REGULAR SESSION (60TH)

ASSEMBLY ACTION	SENATE ACTION	Senate AMENDMENT BLANK
Adopted ☐	Adopted ☐	AMENDMENTS to Assembly
Lost ☐	Lost ☐	Bill No. 541 ~~Joint Resolution No.~~
Date:	Date:	BDR 40-1014
Initial:	Initial:	Proposed by Senator Kosinski
Concurred in ☐	Concurred in ☐	
Not concurred in ☐	Not concurred in ☐	
Date:	Date:	
Initial:	Initial:	

Amendment No. 1257

Amend section 3, page 2, line 4, by deleting the period and inserting:

"or until 75 percent of the lots or parcels served by the plant are sold, whichever is later.".

Amend section 3, page 2, by deleting lines 6 and 7 and inserting: "of conditions creating an equitable servitude running with the land, which".

Amend section 3, page 2, by deleting lines 10 and 11 and inserting:

"taining the plant if the applicant or operator of the plant defaults and a sufficient bond or equivalent, as provided in subsection".

Amend section 3, page 2, line 13, by inserting after "parcel" the words: "at the time of the assessment".

To: E & E
LCB File
Journal
Engrossment
Bill ✓

1299

Date 5-19-79 Drafted by DS:iw

3044

EXHIBIT "B"

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
215 Fremont Street
San Francisco, Ca. 94105

CERTIFIED MAIL NO. 596405
RETURN RECEIPT REQUESTED

City of Reno (Reno-Sparks)
Department of Public Works
Attn: Henry Etchemendy, City Manager
P.O. Box 1900
Reno, NV 89505

SEP 1978

Re: C 320114 03 0

Dear Mr. Etchemendy:

We are pleased to offer the City of Reno (Reno-Sparks) a Step 3 Grant Award of $15,436,004 as an amendment to your basic grant to assist in the Early Start Program, Reno-Sparks, to construct an additional 10 mgd of treatment plant capacity and provide phosphorus removal and dechlorination facilities for the entire plant flow. This award is based upon your application as certified to this office by the Nevada Division of Environmental Protection.

If you wish to accept this award the original and one (1) copy of the enclosed Grant Agreement should be signed, dated and returned to this office within three (3) weeks after receipt. One (1) copy of your transmittal letter should be sent directly to the Nevada Division of Environmental Protection.

Your plans and specifications are approved by the Nevada Division of Environmental Protection and by this Agency. Award of the construction contract must have the approval of the Nevada Division of Environmental Protection.

Part III of the Grant Agreement contains general/special conditions that should be particularly noted prior to acceptance.

EXHIBIT B

Rich Williamson has been assigned as the EPA project manager for your project, and will be the primary point of contact for this Agency. You may contact Mr. Williamson at (415) 556-2576.

Sincerely,

Richard A. Coddington for

Frank M. Covington
Director, Water Division

Enclosures:
Federal Register(s)
3c Grant Agreement

cc: Nevada Division of Environmental Protection.

CHECK / PUBLICAB[illegible]	DATE OF AWARD (Month, day, year)
GRANT AGREEMENT	2 SEP 1980
GRANT AMENDMENT	TYPE OF ACTION
X SUPPLEMENTAL TO PROJECT (WWT)	Continuation

EXHIBIT B

PART I—GENERAL INFORMATION

1. GRANT PROGRAM	2. STATUTE REFERENCE	3. REGULATION REFERENCE
Construction Grants	P.L. 92-500	40 CFR

4. GRANTEE ORGANIZATION

a. NAME: City of Reno

b. EMPLOYER I.D. NO. (EIN):

c. ADDRESS: Department of Public Works
P.O. Box 1900
Reno, NV 89505

5. PROJECT MANAGER (Grantee Contact)

a. NAME: Henry Etchemendy

b. TITLE: City Manager

c. TELEPHONE NO. (Include Area Code): (702) 785-2020

d. ADDRESS: P.O. Box 1900
Reno, NV 89505

6. PROJECT OFFICER (EPA Contact)

a. NAME: Rich Williamson

b. TITLE: Project Officer

c. TELEPHONE NO. (Include Area Code): (415) 556-2576

d. ADDRESS: Environmental Protection Agency
Region IX
215 Fremont Street
San Francisco, CA 94105

7. PROJECT TITLE AND DESCRIPTION

Early Start Program, Reno-Sparks, to construct an additional 10 mgd of treatment plant capacity and provide phosphorus removal and dechlorination facilities for the entire plant flow.

PROJECT STEP (WWT): 3

8. DURATION

PROJECT PERIOD (Dates)	BUDGET PERIOD (Dates)
Date of Award - June 30, 1980	Date of Award - June 30, 1980

9. DOLLAR AMOUNTS

TOTAL PROJECT COSTS		EPA GRANT AMOUNT (In-Kind Amt. _____)	$15,436,004
TOTAL ELIGIBLE COSTS (WWT)	$20,581,339	UNEXPENDED PRIOR YR. BAL. (EPA Funds)	
TOTAL BUDGET PERIOD COSTS		THIS ACTION (This obligation amount)	$15,436,004

10. ACCOUNTING DATA

APPROPRIATION	DOC CONTROL NO.	ACCOUNT NO.	OBJ CLASS	AMOUNT CHARGED
68X0103	N00003	8779094004	41. 41. 11 41.	$15,436,004

11. PAYMENT METHOD

☐ ADVANCES (____% of award) ☒ REIMBURSEMENT

☐ OTHER

SEND PAYMENT REQUEST TO: EPA, Region IX
San Francisco, CA 94105

12. PAYEE (Name and mailing address. Include ZIP Code)

City of Reno
Department of Public Works
P.O. Box 1900
Reno, NV 89505

1302

EXHIBIT B

TABLE A - [illegible] CLASS CATEGORY (Non-construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS: RATE % BASE	
11. TOTAL (Share: Grantee _____ % Federal _____ %)	
12. TOTAL APPROVED GRANT AMOUNT	$

TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10. TOTAL (Share: Grantee _____ % Federal _____ %)	
11. TOTAL APPROVED GRANT AMOUNT	$

TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)	
1. ADMINISTRATION EXPENSE	170,000
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	
5. OTHER ARCHITECTURAL ENGINEERING FEES	
6. PROJECT INSPECTION FEES	1,155,000
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	18,012,704
12. EQUIPMENT	
13. MISCELLANEOUS Phostrip Lic. Fee & Sludge Holding & Dewatering	343,000
14. TOTAL (Lines 1 thru 13)	19,680,704
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	900,635
19. TOTAL (Share: Grantee 25 % Federal 75 %)	20,581,339
23. TOTAL APPROVED GRANT AMOUNT	$ 15,436,004

EXHIBIT B

a. General Conditions:

The grantee covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this grant, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The grantee warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this grant agreement or any grant amendment pursuant to 40 CFR 30.425.

b. Special Conditions:

(SEE ATTACHED PART III(b) SPECIAL CONDITIONS)

Environmental Protection Agency-Grant Agreement
PART IIIB - SPECIAL CONDITIONS

1. The Grantee shall submit the user charge system or ad valorem tax rates and the industrial cost recovery system rates, incorporated in a proposed municipal ordinance or other appropriate legislative enactment, to the EPA for approval, and thereafter, provide for its enactment before the treatment works constructed with the grant is placed into operation.

2. The Grantee must submit to and obtain the approval of the EPA of a user charge and industrial cost recovery system (if applicable) before July 1, 1979. If this is not accomplished, no payments will be made for costs incurred under the Grant and the Grant will be subject to termination or annulment.

3. The grantee agrees to make payment to its contractor promptly after receipt of Federal sums due under this grant and to retain only such amounts as may be justified by specific circumstances and provisions of this grant or the construction contract.

Retained amounts shall be limited, except where greater retention is necessary under specific circumstances specifically provided for in the construction contract, to the following schedule:

(a) retention of up to 10% of payments claimed until construction is 50% complete;

(b) after construction is 50% complete, reduction of the total retainage to 5% of payments claimed, provided that the contractor is making satisfactory progress and there is no specific cause for greater withholding;

(c) when the project is substantially complete (operational or beneficial occupancy), the retained amount shall be further reduced below 5% to only that amount necessary to assure completion of the contract work.

(d) a cash bond or irrevocable letter of credit may be accepted in lieu of all or part of the cash retainage under (b) or (c), above.

The grantee further agrees to include appropriate provision in each Step 3 construction contract to implement this prompt payment requirement.

The foregoing condition will not apply to the extent that it may be prohibited by any specific requirement of State or local laws or ordinances.

4. The grantee agrees to report to the Project Officer and promptly credit to the Federal share due under this grant the full amount of any interest earned, or, if no such interest is earned, an imputed amount of interest at the prevailing rate, upon Federal sums paid to the grantee, if payment to the contractor is unjustifiably delayed by the grantee, its employees or representatives.

5. The Grantee shall acquire and maintain any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. The insurance shall be in an amount at least equal to the total eligible project costs excluding cost of land and uninsurable improvements, or to the maximum limit of coverage made available under the National Flood Insurance Act of 1968, as amended, whichever is less, for the entire useful life of the project.

   This condition shall not be applicable if, on the date of execution of the grant agreement by both parties flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location. This condition shall not be applicable if the project location is outside the boundaries of a special flood hazard area delineated on a Flood Hazard Boundary Map or Flood Insurance Rate Map which has been issued by the Department of Housing and Urban Development, Federal Insurance Administration. This condition shall not be applicable if the total value of improvements insurable under the National Flood Insurance Act is less than $10,000.

6. The Grantee shall give preference to the use of domestically produced and manufactured construction materials in the construction of sewage treatment works, in accordance with Section 215 of the Federal Water Pollution Control Act as amended, and the EPA implementing regulations and guidelines.

7. The Grantee will enact and enforce in each jurisdiction served by the treatment works project, before the treatment works constructed with the Grant is placed in operation, a sewer use ordinance or other legally binding requirement which:

1) Shall prohibit any new connections from inflow sources into the sanitary sewer portions of the sewer system, and

2) Shall ensure that new sewers and connections to the sewer system are properly designed and constructed.

f. The Grantee shall negotiate with the City of Sparks, Washoe County, Washoe Health District, and Nevada Division of Environmental Protection to execute an agreement to impose requirements on approval of any so-called "package plants" such that approvals will not result in degradation of water quality or reduction in water quantity in the Truckee River, and will not otherwise result in adverse environmental impacts. The agreement shall provide for the phase-out of any "package plants" at such time as "Master Project" becomes operational. The Grantee shall submit the agreement to EPA within 90 days from the date of acceptance of this grant offer.

g. The Grantee shall develop the "Master Project" in a manner that allows for the long term conservation of the listed species and their designated habitats by:

(1) Conducting studies in consultation with appropriate Federal and State agencies to determine the maximum and safe chronic exposure levels of un-ionized ammonia, nitrite and nitrate singly and in combination on the cui-ui. The studies should specifically determine any effect of the above pollutants on reproduction, behavior, and normal egg development and hatching. Data must also be obtained on the impacts of increased treated wastewater discharge on the food chains of the cui-ui and the Lahontan cutthroat trout.

(2) Developing the "Master Project" so as to result in water quality which will provide for the reestablishment of the listed species in the Truckee River.

11. The Grantee agrees that failure to comply with these grant conditions as determined by the Regional Administrator shall result in the withholding, conditioning, or restricting by EPA of this grant award and any future grant to the Grantee and that such withholding, conditioning, or restricting of grants shall be in addition to any administrative remedy as provided in 40 CFR Part 30 or any legal remedy available to EPA. The withholding, conditioning, or restricting of any grant to the Grantee shall remain in effect until such time as the Regional Administrator determines that the Grantee is not in non-compliance.

In addition, by virtue of changed circumstances due to violation of grant conditions, EPA may re-initiate a Section 7 consultation process with the U.S. Fish and Wildlife Service under the Endangered Species Act.